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May 1, 2003

By Email

Sharon Liebman
BellSouth Telecommunications, Inc.
Museum Tower Building
150 West Flagler Street
Suite 1910
Miami, FL 33130

Re: BellSouth v. ClickQuick

Dear Ms. Liebman:

I am writing in response to your letter of April 30. I have a different recollection of our conversation which may explain your misunderstanding of what I said.

I called you in response to your letter of March 25 in which you invited a dialogue on the issues raised in the dispute between ClickQuick and BellSouth. I told you that we would consider your proposal that ClickQuick withdraw its Petition for a Declaratory Ruling from the Federal Communications Commission ("FCC") and instead file a petition with the Florida Public Utility Commission ("FPUC") for a waiver of the requirements of §25-4.0345(1)(B)(2) of the Florida Administrative Code.

I made clear to you that ClickQuick would need to be persuaded that your proposal made business sense to ClickQuick. I made it clear to you that "business sense" means that the cost and risks of your proposal would be less to ClickQuick than proceeding at the FCC. I also made clear to you that ClickQuick could not make a determination of the cost of your proposal unless and until it knew precisely what BellSouth would charge ClickQuick or the building owner in the event the FPUC granted a waiver.

I was under the impression that you would be providing those figures to me without further fanfare. Your letter of April 30 is the first time I have been advised that you will not provide the figures unless you receive "receipt of an indication from the building owners that you are their authorized agent to request and negotiate the relocation of the demarcation points."

I fail to see why such “proof” is required. Nonetheless, as I told the FCC under penalty of perjury in the First Amended Petition for Declaratory Ruling at ¶12 -- “On or about January 31, 2003, ClickQuick II, acting as the duly authorized agent for San Marino at Laguna Lakes, L.L.C. and Villa Del Sol, L.L.C. sent a letter to BellSouth, a true copy of which is annexed as Exhibit B [to the Petition]. The letter advises BellSouth that San Marino at Laguna Lakes, L.L.C. and Villa Del Sol, L.L.C. pursuant to 47 C.F.R. §68.105(d) each elect to set the demarcation point, as that term is defined and used in 47 C.F.R. Part 68 at a point 6” on the carrier side of the 66 block.”

As I told you on the phone, ClickQuick’s authority to act on behalf of the property owners in matters concerning the demarcation point arises by operation of a written agreement between ClickQuick and the owners of the properties. And as I told you on the phone, I will not be producing that document to you because it is not necessary for BellSouth to generate cost figures and I try to avoid using settlement discussions as a pretext for discovery.

I also try to avoid conducting settlement discussions in the form of letters with copies to courts or administrative agencies. It has been my experience that limiting the distribution list tends to make the settlement discussions more fruitful as the parties will focus more on substance than on appearances.

With that said, I would appreciate your providing me with the requested information. I await your cordial response.

Sincerely,

A handwritten signature in black ink, appearing to be 'W. James Mac Naughton', with a stylized, cursive script.

W. James Mac Naughton

WJM:ndg

CC: R. Ivers
C. Miller
J. Miller
M. Carey